

## SECTION XI--SCHOOL TERMS

### SCHOOL TERMS

#### A

**Abatement.** A reduction of a previously recorded expenditure or receipt item by such things as refunds, rebates and collections for loss or damages to school property.

**Account.** A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as purpose, object or source.

**Accountability.** The capability and the responsibility to account for the expenditure of money and the commitment of other resources in terms of the results achieved. This involves both the stewardship of money and other resources and the evaluation of achievement in relation to specified goals.

**Accounting.** The procedure of maintaining systematic records of events relating to persons, objects or money and summarizing, analyzing and interpreting the results of such records.

**Accounting Ledgers.** See Ledger.

**Accounting Period.** A period at the end of which and for which financial statements are prepared: for example, July 1 to June 30.

**Accounting System.** The total mechanism of records and procedures of recording, retrieving and reporting information on the financial position and operations of a governmental unit, or any classifying of its funds, balanced account groups and organizational components.

**Accounts Receivable.** Amounts owing on open account from private persons, firms or corporations for goods and services furnished by a LEA (but not including amounts due from other funds or from other governmental units). Although taxes receivable are covered by this term, they should be recorded and reported separately in the Taxes Receivable account.

**Accrual Basis.** The basis of accounting under which revenues are recorded when earned or when levies are made, and expenditures are recorded as soon as they result in liabilities regardless of when the revenue is actually received or the payment is actually made. See also Current Expense, Estimated Revenue and Expenditures.

**Accrue.** To record revenues when earned or when levies are made, and to record expenditures as soon as they result in liabilities, regardless of when the revenue is actually received or the payment is actually made. Sometimes the term is used in a restricted sense to denote the recording of revenues earned but not yet due, such as accrued interest on investments and the recording of expenditures which result in liabilities that are payable in another accounting period, such as accrued interest on bonds. See also Accrual Basis, Accrued Expenses, Accrued Liabilities and Accrued Revenue.

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**Accrued Expenses.** Expenses which have been incurred and have not been paid as of a given date. See also Accrual Basis and Accrue.

**Accrued Interest.** Interest accumulated between interest dates but not yet due.

**Accrued Interest on Investments Purchased.** Interest accrued on investments between the last interest payment date and date of purchase. The account is carried as an asset until the first interest payment date after date of purchase. At that time an entry is made debiting account Cash and crediting the Accrued Interest on Investments Purchased account for the amount of interest purchased and an Interest Earnings account for the balance.

**Accrued Liabilities.** Amounts owed but not yet due; for example, accrued interest on bonds or notes. See also Accrued Expenses.

**Accrued Revenue.** Levies made or other revenue earned and not collected regardless of whether due or not.

**Administration.** Those activities which have as their purpose the general direction, execution and control of the affairs of the LEA that are system- wide and not confined to one school, subject or narrow phase of school activity.

**Administrative Action.** Any action which results in the general regulation, direction or control of the affairs of the organizational unit.

**Administrative Unit, Intermediate.** A unit smaller than the state which exists primarily to provide consultative, advisory or statistical services to local basic administrative units, or to exercise certain regulatory and inspectoral functions over local basic administrative units. An intermediate unit may operate schools and contract for school services, but it does not exist primarily to render such services. Such units may or may not have taxing and bonding authority. Where there is a supervisory union board, the union is included as an intermediate unit.

**Administrative Unit, Local Basic.** An administrative unit at the local level which exists primarily to operate schools or to contract for school services. Normally, taxes can be levied against such units for school purposes. These units may or may not have the same boundaries as county, city or town boundaries. (This term is used synonymously with the term "school system" and "LEA".)

**Admissions.** Money received for a school-sponsored activity, such as a dance or football game. Admissions may be recorded in separate accounts according to the type of activity.

**Adult Basic Education.** Learning experiences concerned with the fundamental tools of learning for adults who have never attended school or who have interrupted formal schooling and need this knowledge and these skills to raise their level of education to increase self-confidence and/or self-determination, to prepare for an occupation and to function more responsibly as citizens in a democracy.

**Adult Continuing Education.** Learning experiences designed to develop knowledge and skills to meet immediate and long-range educational objectives for adults

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who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Programs include activities to foster the development of fundamental tools of learning, to prepare for a postsecondary career, to prepare for postsecondary education programs, to upgrade occupational competencies, to prepare for a new or different career, to develop skills and appreciations for special interests or to enrich the aesthetic qualities of life.

**Adult Continuing Education Tuition.** Money received as tuition for students attending adult continuing education classes. Separate accounts may be maintained for tuition received for residents and for tuition received for nonresidents.

**Ad Valorem Taxes Levied by Another Government Unit.** Taxes levied for school purposes by a government unit other than the LEA. The LEA is not the final authority, within legal limits, in determining the amount to be raised. For example, after a LEA has determined that a certain amount of revenue is necessary, another governmental unit may exercise discretionary power in reducing or increasing the amount.

**Ad Valorem Taxes Levied by LEA.** Taxes levied by a LEA on the assessed valuation of real and personal property located within the LEA which, within legal limits, is the final authority in determining the amount to be raised for school purposes.

**Advance From "A" Fund.** A liability account used to record a debt owed by one fund to another fund in the same governmental unit. It is recommended that separate accounts be maintained for each interfund receivable loan.

**Advance To "A" Fund.** An asset account used to record a loan by one fund to another fund in the same governmental unit. It is recommended that separate accounts be maintained for each interfund receivable loan.

**Advanced Adult Education.** Learning experiences designed to develop the knowledge, skills, appreciations, attitudes and behavioral characteristics considered to be needed by adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities and are preparing for postsecondary careers and/or postsecondary education programs.

**Advancement Accounts.** See Revolving Fund.

**Agent.** One who represents, acts for and accounts to another. The powers of a general agent are broad. He initiates transactions in the name of his principal and carries on operations within a large discretionary area. His functions often resemble those of a general manager. A special agent, on the other hand, is restricted to the performance of a single act or the conduct of a single transaction.

**Aggregate Days Attendance.** The sum of the days present (actually attended) of all pupils when school was actually in session during a given reporting period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session. See also Day in Session and Day of Attendance.

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**Aggregate Days Membership.** The sum of the days present and absent of all pupils when school was in session during a given reporting period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session. See also Day in Session and Day of Attendance.

**Allot.** To divide an appropriation into amounts for certain periods or for specific purposes.

**Allotment.** The amount allotted for a certain period or purpose.

**Allotment Ledger.** A subsidiary ledger which contains an account for each allotment showing the amount allotted, expenditures, encumbrances, the net balance and other related information. See also Appropriation Ledger.

**Amortization of Debt.** (a) Gradual payment of an amount owed according to a specified schedule of times and amounts. (b) Provision for paying a debt by means of a Sinking Fund.

**Amount To Be Provided for Payment of Bonds.** An account in the General Long- Term Debt group of accounts which represents the amount to be provided from taxes or other general revenue to retire outstanding general obligation term bonds.

**Apportionment.** See Allotment.

**Appraisal.** The act of making an estimate of value, particularly of the value of property, by systematic procedures that include physical examination, pricing and often engineering estimates. Also, the value established by estimating.

**Appraised Value.** The value established by appraisal. See also Appraisal.

**Appropriation.** An authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

**Appropriation - School.** Money received out of funds set aside periodically by the appropriating body (district meeting, city council or other governmental bodies) for school purposes, which funds have not been specifically collected as school taxes.

**Appropriation Balance.** See Unencumbered Balance of Appropriation or Allotment, and Unexpended Balance of Appropriation or Allotment.

**Appropriation Expenditure.** An expenditure chargeable to an appropriation.

**Appropriation Ledger.** A ledger containing an account with each appropriation. Each account usually shows the amount originally appropriated, transfers to or from the appropriation, amount charged against the appropriation, the encumbrances, the net balance and other related information. If allotments are made and as separate ledger is maintained for them, each account usually shows the amount appropriated, transfers to or from the appropriation, the amount allotted and the unallotted balance. See also Allotment Ledger.

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**Appropriations Received From Local Governmental Units Other Than LEA.** Money received from the appropriations of another local governmental unit. The LEA is not the final authority, within legal limits, in determining the amount of money to be received, and the money is raised by taxes or other means which are not earmarked for school purposes.

**Architecture and Engineering.** Pertains to architectural and engineering activities related to Land Acquisition and Improvement, Building Acquisition, Construction, and Improvements.

**Area of Responsibility.** A subdivision of a Service Area consisting of activities which, regardless of their nature, have a common purpose directly related to the operational objective of the Service Area.

**Assessment - Special.** A compulsory levy made by a local government against certain properties to defray part or all of the cost of a specific improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such properties.

**Assets.** The things of value a LEA owns. See also Capital Assets.

**Attendance - Aggregate Days.** See Aggregate Days Attendance.

**Audiovisual Aids.** Optical, electronic and other devices - and related supplies - which are designed to enhance learning through the combined senses of hearing and sight; e.g., sound, motion pictures, printed materials and television. Frequently two or more of these components are combined into electronic distribution systems, some of which incorporate remote or dial access capabilities. See also Educational Media.

**Audit.** The examination of records and documents and the securing of other evidence for one or more of the following purposes: (a) determining the propriety of proposed or completed transactions, (b) ascertaining whether all transactions have been recorded; and (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn from the accounts.

**Audited Voucher.** A voucher which has been examined and approved for payment.

**Average Daily Attendance - ADA.** The aggregate days attendance of a given school during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session. The average daily attendance for groups of schools having varying lengths of terms is the sum of the average daily attendances obtained for the individual schools. See also Aggregate Days Attendance, Day in Session, and Day of Attendance.

**Average Daily Membership - ADM.** The aggregate days membership of a school during a reporting period divided by the number of days school is in session during this period. Only days on which pupils are under the guidance and direction of teachers should be considered as days in session. The average daily membership for groups of schools having varying lengths of terms is the sum of the average daily memberships obtained for the individual schools. See also Aggregate Days Membership, Day in Session, and Membership.

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### B

**Balance Sheet.** A formal statement of assets, liabilities and fund balance as of a specific date.

**Balance Sheet Accounts.** See Balance Sheet.

**Board of Education Services.** The activities of the elected or appointed body which has been created according to state law and vested with responsibilities for educational activities in a given geographical area. These bodies are sometimes called school boards, governing boards, boards of directors, school committees, school trustees, etc. This Service Area relates to the general term and covers state boards, intermediate administrative unit boards and local basic administrative unit boards.

**Bond.** A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality. See also Refunding Bonds, Serial Bonds, Surety Bonds and Term Bonds.

**Bond Attorney.** The attorney who approves the legality of a bond issue.

**Bond Discount.** The excess of the face value of a bond over the price for which it is acquired or sold. The price does not include accrued interest at the date of acquisition or sale.

**Bond Premium.** The excess of the price at which a bond is acquired or sold over its face value. The price does not include accrued interest at the date of acquisition or sale.

**Bonded Debt.** The part of the LEA debt which is covered by outstanding bonds of the LEA. Sometimes called "Funded Debt."

**Bond Proceeds Receivable.** An account used to designate the amount receivable upon sale of bonds.

**Bonds Authorized - Unissued.** Bonds which the LEA can issue without further proceedings other than to direct their sale. The amount of bonds that have been authorized and not issued should be shown in a footnote to the balance sheet.

**Bonds Payable.** The face value of bonds issued and outstanding.

**Bookstore Sales.** Revenues of sales resulting from the operation of a book- store. Bookstore sales can be part of the distributive education courses offered, pupil organization sponsored or a LEA enterprise. Sales may be recorded in separate accounts according to the type of product sold.

**Book Value.** Value as shown by books of account.

**Budget.** A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing

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them. The budget usually consists of three parts. The first part contains a message from the budget-making authority together with a summary of the proposed expenditures and the means of financing them. The second part consists of schedules supporting the summary. The schedules show in detail the proposed expenditures and means of financing them together with information as to past years' actual revenues and expenditures and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue and borrowing measures necessary to put the budget into effect.

**Budgetary Control.** The control or management of the business affairs of the LEA in accordance with an approved budget with a view toward keeping expenditures within the authorized amounts.

**Budget Document.** The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of three parts. The first part contains a message from the budget-making authority together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to past years' actual revenues, expenditures and other data used in making the estimates. The third part is composed of drafts of the appropriation, revenue and borrowing measures necessary to put the budget into effect.

**Budgeting.** Pertains to budget planning, formulation, administration, analysis and evaluation.

**Building Acquisition, Construction and Improvements.** Pertains to building acquisition through purchase or construction and building improvements. It includes initial installation or extension of service systems and other built-in equipment, as well as building additions.

## C

**Capital Acquisitions.** An expenditure which results in the acquisition of capital assets or additions to capital assets which are presumed to have benefits for more than one year. It is an expenditure for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings or initial, additional and replacement of equipment.

**Care and Upkeep of Buildings.** Pertains to cleaning the buildings of school plants or supporting services facilities, operating such equipment as heating and ventilating systems, keeping the school plant safe for occupancy and use, and keeping the buildings and built-in equipment of the LEA in a state of good condition and repair.

**Care and Upkeep of Grounds.** Pertains to maintaining the grounds and the equipment on the grounds (other than buildings) owned or used by the school or LEA in a state of good condition and repair.

**Care and Upkeep of Equipment.** Pertains to maintaining equipment owned or used by the school or LEA. It includes such activities as servicing and repairing furniture, machines and other equipment that is not built in.

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**Cash.** Currency, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash; and bank deposits. Any restriction or limitations as to its availability should be indicated.

**Cash Basis.** The basis of accounting under which revenues are recorded only when actually received, and only cash disbursements are recorded as expenditures.

**Cash Change Fund.** A sum of money set aside for the purpose of providing cash register change.

**Cash Discounts.** An allowance received or given by vendors for payment of invoices within a stated period of time.

**Cash With Fiscal Agent.** Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest.

**Categorical Aid.** Educational support funds provided from a higher governmental level and specifically limited to (earmarked for) a given purpose; e.g., special education, transportation or vocational education.

**Central Administrative Office.** An office or building used primarily for housing personnel and equipment engaged in activities which have as their purpose the general regulation, direction and control of the affairs of the LEA that are systemwide and not confined to one school, subject or narrow phase of school activity.

**Chart of Accounts.** A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature; for example, assets and liabilities.

**Check.** A bill of exchange drawn on a bank payable on demand; a written order on a bank to pay on demand a specified sum of money to a named person, to his order or to bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that the latter is not necessarily payable on demand and may not be negotiable; and it differs from a voucher in that the latter is not an order to pay. A voucher-check combines the distinguishing marks of a voucher and a check; it shows the propriety of a payment and is an order to pay.

**Civic Activities.** School-related activities such as parent-teacher association meetings and such nonschool-related civic activities as public forums, lectures and civil defense planning, usually connected with school services.

**Classification - Object.** See Object Classification.

**Clearing Accounts.** Accounts used to accumulate total receipts or expenditures either for later distribution among the accounts to which such receipts or expenditures are properly allocable, or for recording the net differences under the proper account. See also Revolving Fund, Prepaid Expenses and Petty Cash.



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**Clerical Personnel.** Personnel occupying positions which have as their major responsibilities the preparing, transferring, transcribing, systematizing or preserving of written communications and records. This also includes stock clerks and shipping clerks.

**Cocurricular Activities.** Cocurricular activities (experiences) are comprised of the group of school-sponsored activities, under the guidance or supervision of qualified adults, designed to provide opportunities for pupils to participate in such experiences on an individual basis, in small groups or in large groups - at school events, public events or a combination of these - for such purposes as motivation, enjoyment and improvement of skills. In practice, participation usually is not required and credit usually is not given. When participation is required or credit is given the activity generally is considered to be a course.

**Coding.** Distinguishing among items and categories of information by assigning numbers or other symbolic designations so that the items and categories are readily identifiable.

**Communication.** Expenditures for telephone and telegraph services as well as postage machine rental and postage.

**Community/Junior College.** An institution of higher education which usually offers the first 2 years of college instruction and career education, grants an associate's degree and does not grant a bachelor's degree. It is either a separately organized institution (public or nonpublic) or an institution which is a part of a public school system or system of junior colleges. Offerings include transfer, occupational and/or general studies programs at the post- secondary instructional level, and may also include adult education programs.

**Community Recreation.** Concerned with providing recreation programs for the community as a whole, or for some segment of the community. It includes such staff activities as organizing and supervising playgrounds, swimming pools and other recreation programs for the community.

**Community Relations.** Concerned with conducting community relations activities. It includes maintaining liaison with local civic groups, serving as the central point for all requests for public speaking engagements, responses to public inquiry, arranging for tours of, and visits to, the LEA.

**Community Services.** Services, other than public school and adult education functions, provided by the school or LEA for purposes relating to the community as a whole or some segment of the community. These include such services as community recreation programs, civic activities, public libraries, programs of custody and care of children, community welfare activities and services for nonpublic school pupils provided by the public schools on a continuing basis.

**Comparability.** The characteristic of commonality among or between selected elements measured in terms of identical constants. The accuracy of the measurement of the degree of comparability is usually dependent on the number of constants applied.

**Computer-Assisted Instruction.** Programmed instruction utilizing an electronic computer as the principal medium of instruction.

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**Consultant.** A person who gives professional or technical advice and assistance. A consultant may perform his services under contract (purchased services) or he may be an employee on the payroll of a state agency.

**Contingent Fund.** Assets or other resources set aside to provide for unforeseen expenditures or for anticipated expenditures of uncertain amount.

**Contingent Liabilities.** Items which may become liabilities as a result of conditions undetermined at a given date, such as guarantees, pending law suits, judgments under appeal and unsettled disputed claims.

**Contracted Services.** Services rendered by personnel who are not on the payroll of the LEA, including all related expense covered by the contract.

**Contracts Payable.** Amounts due on contracts for goods and services received by a LEA.

**Construction Contracts Payable.** Amounts due by a LEA on contracts for construction of buildings, structures and other improvements.

**Construction Contracts Payable - Retained Percentage.** Liabilities on account of construction contracts for that portion of the work which has been completed but on which part of the liability has not been paid pending final inspection, or the lapse of a specified time period, or both. The unpaid amount is usually a stated percentage of the contract price.

**Construction Work in Progress.** The cost of construction work undertaken but not yet completed.

**Continuing Education.** See Adult Continuing Education.

**Contributions and Donations From Private Sources.** Money received from a philanthropic foundation, private individuals or private organizations for which no repayment or special service to the contractor is expected. Separate accounts may be maintained for revenue unrestricted as to use, and revenue which is restricted as to use.

**Controlling Account.** An account usually kept in the general ledger in which the postings to a number of identical, similar or related accounts are summarized so that the balance in the controlling account equals the sum of the balances of the detailed accounts. The controlling account serves as a check on the accuracy of the detailed account postings and summarizes the expenditures in relation to the budget estimates.

**Cost Accounting.** That method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

**Cost Benefit.** Analysis which provides the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it; or, analysis which provides the

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means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

**Cost Center.** The smallest segment of a program that is separately recognized in the agency's records, accounts and reports. Program-oriented budgeting, accounting and reporting aspects of an information system are usually built upon the identification and use of a set of cost centers.

**Cost Effectiveness.** Analysis designed to measure the extent to which resources allocated to a specific objective under each of several alternatives actually contributed to accomplishing that objective, so that different ways of gaining the objective may be compared.

**Cost Ledger.** A subsidiary record wherein each project, job, production center, process, operation, product or service is given a separate account under which all items of its cost are posted in the required detail.

**Cost Per Pupil.** See Current Expenditures Per Pupil.

**Cost Unit.** The unit of product or service whose cost is computed.

**Current.** The term refers to the fiscal year in progress.

**Current Assets.** Cash or anything that can be readily converted into cash.

**Current Expenditures.** See Current Expense.

**Current Expenditures Per Pupil.** Current expenditures for a particular period of time divided by a pupil unit of measure.

**Current Expense.** Any expenditure, except for capital outlay and debt service. Current expense includes total charges incurred, whether paid or unpaid.

**Current Expense - Total.** The total of all expenditures made during a period of time except for capital outlay and debt service.

**Current Funds.** Money received during the current fiscal year from revenue which can be used to pay obligations currently due and surpluses reappropriated for the current fiscal year.

**Current Liabilities.** Debts which are payable within a relatively short period of time, usually no longer than a year. See also Floating Debt.

**Current Loans.** A loan payable in the same fiscal year in which the money was borrowed. See also Tax Anticipation Notes.

**Current Year's Tax Levy.** Taxes levied for the current fiscal period.

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**Custody and Care of Children.** The custodial care of children in residential day schools, or child care centers which are not part of, or directly related to, the instructional program, and where the attendance of the children is not included in the attendance figures for the LEA.

### D

**Data.** See Fact.

**Data Bank.** A comprehensive collection of data, usually in machine-usable form (such as punch cards, tapes and discs) which can be used for such purposes as drawing subsamples for special studies, checking hypotheses not formulated or tested previously, facilitation historical studies and deriving summations and correlations. Typically, an educational data bank is comprised of component files relating to specific areas of information such as pupils, staff, property, finance, instructional programs and the community.

**Data Processing.** The activities of collecting and organizing data, storing for future use and preparing statistical reports. See Machine Data Processing.

**Day in Session.** A day on which the school is open and the pupils are under the guidance and direction of teachers in the teaching process. On some days the school plant itself may be closed and the student body as a whole engaged in school activities outside the school plant under the guidance and direction of teachers. Such days should be considered as days in session. Days on which school is closed for such reasons as holidays, teachers' institutes and inclement weather should not be considered as days in session.

**Day of Attendance.** A day of attendance is one in which a pupil is present for the full day under the guidance and direction of a teacher while school is in session. When a pupil is present for only part of the day, it should be considered as a partial day of attendance in the same proportion that his time present at school bears to the total length of the school day. If overcrowded conditions make it necessary to hold two separate sessions with a different group of pupils in each session, a pupil attending for all of either session should be considered as having attended for the full day. An excused absence during examination periods or because of sickness, or for any other reason, should not be counted as a day of attendance. See also Day in Session.

**Debt Service.** Expenditures for the retirement of debt and expenditures for interest on debt.

**Debt Service Fund.** Used to finance and account for payment of interest and principal on all general obligation debts. Does not include money payable exclusively from special assessments or revenue debt issued for and serviced by a government enterprise.

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**Deferred Charges.** Expenditures which are not chargeable to the fiscal period in which made, but are carried on the asset side of the balance sheet pending amortization or other disposition. Deferred charges differ from prepaid expenses in that they usually extend over a long period of time and may or may not be regularly recurring costs of operation. See also Prepaid Expenses.

**Deficit.** The excess of the obligations of a fund over the fund's resources.

**Delinquent Taxes.** Taxes remaining unpaid on and after the date on which they become delinquent by statute.

**Deposits.** Use of this account is normally restricted to long-term investments deposited by the LEA as a prerequisite to receiving services and/or goods.

**Deposits Payable.** Liability for deposits received as a prerequisite to providing or receiving services and/or goods.

**Depreciation.** Loss in value or service life of Capital assets because of wear and tear through use, lapse of time, inadequacy or obsolescence.

**Development.** Activities concerned with the evolving process of utilizing the products of research and considered judgment in the deliberate improvement of educational programs.

**Direct Costs.** Those elements of cost which can be easily, obviously and conveniently identified with specific activities or programs, as distinguished from those costs incurred for several different activities or programs and whose elements are not readily identifiable with specific activities.

**Direct Services.** Activities identifiable with a specific program. These are direct services for a particular program. Those activities concerned with the teaching-learning process are considered to be direct services for instruction.

**Disbursements.** Payments in Cash. See also Cash.

**Double Entry.** A system of bookkeeping which requires for every entry made to the debit side of an account or accounts an entry for the corresponding amount or amounts to the credit side of another account or accounts.

**Due From "A" Fund.** An asset account used to indicate amounts owed to a particular fund by another fund in the same LEA for goods sold or services rendered. It is recommended that separate accounts be maintained for each interfund receivable.

**Due From "A" Government.** Amounts due to the reporting governmental unit from another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected for the reporting unit by another unit, loans and charges for services rendered by the reporting unit for another government. It is recommended that separate accounts be maintained for each interfund receivable.

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**Due to Fiscal Agent.** Amounts due to fiscal agents, such as commercial banks, for servicing a LEA's maturing indebtedness.

**Due to "A" Fund.** A liability account used to indicate amounts owed by a particular fund to another fund in the same LEA for goods and services rendered. It is recommended that separate accounts be maintained for each interfund receivable.

**Due to "A" Government.** Amounts owed by the reporting LEA to the named governmental unit. It is recommended that separate accounts be maintained for each interfund receivable.

**Dues and Fees.** Costs of memberships or assessments in professional or other organizations and payments to paying agents for services rendered.

### E

**Earned Interest.** Interest collected or due.

**Educational TV.** Providing television programs as a part of the instructional program of the school or LEA. It includes writing, programming and directing educational television programs.

**Educational Media.** Any device, content material, method or experience used for teaching and learning purposes. These include printed and nonprinted sensory materials. See also Audiovisual Aids.

**Elections.** Services rendered in connection with any LEA election, including elections of officers, bond elections (regardless of whether or not the bond issues pass), and budget and appropriation elections.

**Elementary School.** A school classified as elementary by state and local practice and composed of any span of grades not above grade eight. A nursery school or kindergarten school is included under this heading only if it is an integral part of a regularly established school system.

**Employee Benefits.** Compensation, in addition to regular salary, provided to an employee. This may include such benefits as health insurance, life insurance, annual leave, sick leave, retirement and social security.

**Encumbrances.** Purchase orders, contracts and salary or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when actual liability is set up.

**Endowment Fund.** A fund from which the income may be expended, but whose principal must remain intact.

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**Entry.** The record of a financial transaction in its appropriate book of accounts. Also the act of recording a transaction in the books of accounts.

**Equipment.** Any instrument, machine, apparatus or set of articles which (a) retains its original shape and appearance with use, (b) is nonexpendable; i.e., if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it than to replace it with an entirely new unit, (c) has a cost or value of fifty dollars or more, (d) has an anticipated useful life of more than one year, and (e) does not lose its identity through incorporation into a different or more complex unit or substance.

**Equity.** Equity is the mathematical excess of assets over liabilities. Generally this excess is called Fund Balance.

**Estimated Revenue.** If the accounts are kept on an accrual basis, this term designates the amount of revenue estimated to accrue during a given period regardless of whether or not it is all to be collected during the period; if the accounts are kept on a cash basis the term designates the amount of revenues estimated to be collected during a given period.

**Estimated Uncollectible Taxes.** A provision of tax revenues for that portion of taxes receivable which it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the Taxes Receivable account in order to arrive at the net taxes receivable. Separate accounts may be maintained on the basis of tax roll year and/or delinquent taxes.

**Evaluation.** The process of ascertaining or judging the value or amount of an action or an outcome by careful appraisal of previously specified data in light of the particular situation and the goals and objectives previously established.

**Expenditures.** Charges incurred, whether paid or unpaid, which are presumed to benefit the current fiscal year.

**Expenditure Character.** The period of time which the expenditure is presumed to benefit. Character classification of expenditures are: current expenditures, capital acquisitions and debt service.

## F

**Face Value.** As applied to securities, this term designates the amount of the liability stated in the security document.

**Facilities Acquisition and Construction.** Consists of activities involved with the acquisition of land and buildings, remodeling buildings, the construction of buildings and additions to buildings,

## SECTION XI--SCHOOL TERMS

initial installation or extension of service systems and other built-in equipment and improvements to sites.

**Fact.** An event, feat or a piece of information presented as having objective reality.

**Federal Revenue.** Revenue provided by the federal government. Expenditures made with this revenue should be identifiable as federally supported expenditures.

**Federal Aid for Education.** Any grant made by the federal government for the support of education. See also Grant, Public.

**Fidelity Bond.** A bond guaranteeing the LEA against losses resulting from the actions of the treasurer, employees or other persons of the system. See also Surety Bond.

**Fidelity Bond Premiums.** Expenditures for any bonds guaranteeing the LEA against losses resulting from the actions of the treasurer, employees or other persons of the system. Also recorded here are any expenditures (not judgments) made in lieu of fidelity bonds.

**Financial Accounting.** The recording and reporting of activities and events affecting the money of an administrative unit and its program. Specifically, it is concerned (1) with determining what accounting records are to be maintained, how they will be maintained and the procedures, methods and forms to be used, (2) with recording, classifying and summarizing activities or events, (3) with analyzing and interpreting recorded data; and (4) with preparing and initialing reports and statements which reflect conditions as of a given date, the results of operations for a specific period and the evaluation of status and results of operation in terms of established objectives.

**Fiscal Period.** Any period at the end of which a LEA determines its financial condition and the results of its operations and closes its books. It is usually a year, though not necessarily a calendar year. The most common fiscal period for school systems is July 1 through June 30.

**Fiscal Services.** Consists of activities involved with managing and conducting the fiscal operations of the LEA. This Service Area includes budgeting, receiving and disbursing, financial accounting, payroll, internal auditing and purchasing.

**Fixed Assets.** Land, buildings, machinery, furniture and other equipment which the LEA intends to hold or continue in use over a long period of time. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset. **GASB 34 has replaced the term "Fixed Assets" with "Capital Assets".**

**Fixed Charges.** Charges of a generally recurrent nature which are not readily allocated to other expenditure categories. They consist of such charges as: school board contributions to employee retirement, insurance and judgments, rental of land and buildings and interest on current loans. They do not include payments to public schoolhousing authorities or similar agencies.



## **SECTION XI--SCHOOL TERMS**

**Floating Debt.** Liabilities (except bonds) payable on demand or at an early date; for example, accounts payable, bank loans, notes or warrants. See Current Liabilities.

**Floor Area.** See Gross Floor Area.

**Food Delivery.** Delivering prepared food, ready for serving, within the LEA.

**Food Preparation and Dispensing Services.** Concerned with preparing and serving regular and incidental meals, lunches or snacks in connection with school activities. It includes cooking, operating kitchen equipment, preparing salads, serving food, cleaning dishes and storing dishes and kitchen equipment.

**Food Services.** Activities involved with the food services program of the school or LEA. This Service Area includes the preparation and serving of regular and incidental meals, lunches or snacks in connection with school activities and the delivery of food.

**Food Service Fund.** Used to record financial transactions related to food service operations.

**Full-Time Equivalency.** The amount of time for a less than full-time activity divided by the amount of time normally required in a corresponding full-time activity. Full-time equivalency usually is expressed as a decimal fraction to the nearest 10th.

**Full-Time Personnel.** School employees whose positions require them to be on the job on school days throughout the school year at least the number of hours the schools in the LEA are in session.

**Function.** An action which contributes to the entire LEA operation.

**Fund.** An independent accounting entity with its own assets, liabilities and fund balances. Generally, funds are established to account for financing of specific activities of an agency's operations.

**Fund Accounts.** All accounts necessary to set forth the financial operations and financial condition of a fund.

**Fund Balance.** The excess of the assets of a fund over its liabilities and reserves except in the case of funds subject to budgetary accounting where, prior to the end of a fiscal period, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves and appropriations for the period.

**Fund - Endowment.** See Endowment Fund.

**Fund - General.** See General Fund.

**Fund - Permanent School.** See also Endowment Fund and Permanent School Fund.

**Fund - Revolving.** See Revolving Fund.

## SECTION XI--SCHOOL TERMS

**Fund - Sinking.** See Sinking Fund.

**Fund - Special.** See Special Fund.

**Funded Debt.** Same as Bonded Debt which is the preferred term.

**Funding.** The conversion of judgments and other floating debt into bonded debt.

### G

**Gain or Loss on Sale of Investments.** Gains or losses realized from the sale of bonds or stocks; gains represent the excess of the sales proceeds over cost or other basis at date of sale (cost less amortization of premium in the case of long-term bonds purchased at a premium over par value or cost plus amortization of discount on long-term bonds purchased at a discount under par value); gains realized from sale of U.S. Treasury bills represent interest income. Losses represent the excess of the cost or other basis at date of sale (as described above) over the sales proceeds.

**General Administration.** Consists of those activities involved in the overall general administrative responsibility for the entire LEA.

**General Capital Assets Self-Balancing Accounts.** This self-balancing group of accounts is used to account for capital assets owned by the LEA. Capital assets purchased under lease-purchase agreements are entered in this group after the last payment is made.

**General Fund.** Used to account for all transactions which do not have to be accounted for in another fund. Used to account for all ordinary operations of a LEA.

**General Ledger.** A book, file or other device in which accounts are kept to the degree of detail necessary, that summarizes the financial transactions of the LEA. General ledger accounts may be kept for any group of items of receipts or expenditures on which an administrative officer wishes to maintain a close check.

**General Long-Term Liability Self-Balancing Accounts.** This self-balancing group of accounts is used to account for general long-term debt of a governmental unit.

**Gift.** Money received from a philanthropic foundation, private individual or private organization for which no repayment or special service to the contributor is expected.

**Grant - Private.** See Gift.

**Grant - Public.** See Public Grant.

## SECTION XI--SCHOOL TERMS

**Grants-in-Aid.** Grants-in-aid are contributions made by a governmental unit to a LEA and are not related to specific revenue sources of the respective governmental unit; i.e., general, or if related to specific revenue sources of the governmental unit, are distributed on some flat grant or equalization basis. Grants-in-aid are made by intermediate governments, state governments and the federal government.

**Gross Earnings.** See Gross Income.

**Gross Floor Area.** The sum of the areas at each floor level included within the principal outside faces of exterior walls, neglecting architectural setbacks or projections. This includes all stories or areas which have floor surfaces with clear standing head room (6'6" minimum) regardless of their use.

**Gross Income.** Revenues before deducting any expenses: an expression employed in accounting for individuals, financial institutions and the like. Also, gross revenue or incidental revenue of a manufacturing or trading enterprise.

**Guidance Personnel.** Persons who have been assigned specific duties and school time to carry on recognized functions of the guidance programs in whole or in part. Classify here: counselors, deans, placement counselors, guidance specialists and similar personnel. This refers to both certificated and non-certificated personnel.

## H

**Health Personnel.** Persons in the field of physical and mental health, such as physicians, psychiatrists, school nurses, dentists, dental hygienists, psychiatric social workers and therapists, whose services are directed primarily at individuals, although sometimes used for group activities.

**Home-School Counselors.** See Visiting Teacher.

**Housing Authority Obligations.** A public schoolhousing authority is a public corporation or quasi-public corporation having power to perform one or more of the following functions: issue authority bonds for public school purposes; acquire and hold property for public school purposes; construct public school buildings; lease public school buildings to local public school administrative units or transfer title to such units. Recorded under this account are all expenditures to such authorities or agencies with similar functions.

## I

## **SECTION XI--SCHOOL TERMS**

**Imprest System.** A system for handling disbursements whereby a fixed amount of money is set aside for a particular purpose. Disbursements are made from time to time as needed. At certain intervals, a report is rendered of the amount disbursed and the cash is replenished for the amount of the disbursements, ordinarily by check drawn on the fund or funds from which the items are payable. The total of cash plus unreplenished disbursements must always equal the fixed sum of cash set aside.

**Improvements Other Than Buildings.** A Capital asset account which reflects the acquisition value of permanent improvements, other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels and bridges. If the improvements are purchased or constructed this account contains the purchase or contract price. If improvements are obtained by gift it reflects the appraised value at time of acquisition.

**Income Taxes.** Taxes levied on net income; that is, by gross income less certain deductions permitted by law. These taxes can be levied on individual, corporation or unincorporated businesses where the income is taxed distinctively from individual income. Separate accounts may be maintained for individual, corporation and unincorporated business income tax.

**Indirect Expenses.** Those elements of cost necessary in the provision of a service which are of such nature that they cannot be readily or accurately identified with the specific service. For example, the custodial staff may clean corridors in a school building which is used jointly by administrative, instructional, maintenance and attendance personnel. In this case, a part of custodial salaries is an indirect expense of each service using the corridors. However, it is impossible to determine readily or accurately the amount of the salary to charge each of these services.

**Indirect Services.** Services for programs which cannot be identified with a specific program. All support services programs are indirect services of instruction programs.

**Instruction.** Instruction includes the activities dealing directly with the teaching of pupils. Teaching may be provided for pupils in a school classroom, in another location such as in a home or hospital, and other learning situations such as those involving cocurricular activities; it may also be provided through some other approved medium such as television, radio, telephone and correspondence.

**Instructional Organization.** A school or other organizational arrangement which provides instruction of a given type or types.

**Instructional Personnel.** Those who render direct and personal services which are in the nature of teaching. Included here are: teachers (including teachers of homebound), teaching assistants, teacher aides, secretaries for teachers, special graders, substitute teachers and clerks serving teachers only. Attendance personnel, health personnel and other clerical personnel should not be included as instructional personnel.

## SECTION XI--SCHOOL TERMS

**Insurance and Bond Premiums.** Expenditures for all types of insurance coverage such as property, liability, fidelity and bond premiums, as well as the costs of judgments. Insurance for group health, workmen's compensation, etc., are not charged here, but are recorded under Personal Services - Employee Benefits.

**Interest.** A fee charged a borrower for the use of money. See also Debt Service.

**Interest and Receivables.** Interest received on temporary or permanent investments in U.S. Treasury bills, notes, bonds, savings accounts, time certificates of deposit, notes, mortgages or other interest-bearing obligations and dividends received on stocks.

**Interest Receivable on Investments.** The amount of interest receivable on investments, exclusive of interest purchased. Interest purchased may be shown in a separate account.

**Interfund Transfers.** Money which is taken from one fund under the control of the board of education and added to another fund under the board's control. Interfund transfers are not receipts or expenditures of the LEA.

**Intermediate Sources of Revenue.** An intermediate administrative unit or a political subdivision between LEAs and the state that collects revenue and distributes it to LEAs in amounts different from those which are collected within such systems.

**Internal Auditing.** Activities involved with evaluating the adequacy of the internal control system: verifying and safeguarding assets; reviewing the reliability of the accounting and reporting systems; and, ascertaining compliance with established policies and procedures.

**Internal Control.** A plan of organization under which employees' duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues and expenditures. For example, under such a system, the employees' work is sub- divided so that no one employee performs a complete cycle of operations. For instance, an employee handling cash would not post the accounts receivable records. Again, under such a system, the procedures to be followed are definitely laid down and such procedures call for proper authorizations by designated officials for all actions to be taken.

**Internal Information.** Information prepared for and distributed to learners and/or staff of a LEA. It consists of such activities as news-gathering, writing, editing, photography and newspaper reproduction, transmitted vocally in person or by way of electronic equipment.

**Inventory.** A detailed list or record showing quantities, descriptions, values and frequently, units of measure and unit prices of property on hand at a given time. Also, the cost of supplies on hand not yet distributed to requisitioning units.

**Inventory of Stores for Resale.** The value of goods held by a LEA for resale rather than for use in its own operations.

**Investment in General Capital Assets.** An account in the General Capital Asset accounts which represents the LEA's equity in general Capital assets.

## SECTION XI--SCHOOL TERMS

**Investments.** Securities and real estate held for the production of income in the form of interest, dividends, rentals or lease payments. The account does not include Capital assets used in LEA operations.

**Invoice.** An itemized list of merchandise purchased from a particular vendor. The list includes quantity, description, price, terms, date and the like.

### J

**Journal.** The accounting record in which the details of financial transactions are first recorded.

**Journal Entry.** See Entry.

**Journal Voucher.** A paper or form on which the financial transactions of the LEA are authorized and from which any or all transactions may be entered in the books. By means of the journal voucher, the budget may be put into operation and expenditures made to meet authorized obligations. Journal vouchers are also used to set up revolving funds and petty cash funds, and for authorizing all entries in the bookkeeping system for which no other authorizations, such as deposit slips, invoices, etc., are available. A form of journal voucher is a memorandum in the school board minutes.

**Judgment.** An amount to be paid or collected by the LEA as the result of a court decision.

**Judgments Against the LEA.** Expenditures from current funds for all judgments (except as indicated) against the LEA that are not covered by liability insurance, but are of a type that might have been covered by insurance. Only amounts paid as the result of court decisions are recorded here. Judgments against the LEA resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts as though the bills or debt service had been paid when due.

**Judgments Payable.** Amounts due to be paid by a LEA as the result of court decisions, including condemnation awards in payment for private property taken for public use.

**Junior College.** A postsecondary institution which offers the first two years of college instruction, frequently confers an associate degree and does not confer a bachelor's degree. The term "junior college" is often used interchangeably with the term "community college." See also Community/Junior College.

**Junior High School.** A separately organized and administered secondary school intermediate between the elementary and senior high schools. See Middle School.

## **SECTION XI--SCHOOL TERMS**

**Junior-Senior High School.** A secondary school organized on a junior-senior basis and administered under one head as one unit.

### **K**

**Kindergarten.** A group or class that is organized to provide educational experiences for children for the year immediately preceding the first grade. A kindergarten class may be organized as a grade of an elementary school or as part of a separate kindergarten school. In some LEAs these groups may be called preprimary, junior primary or primary.

### **L**

**Land.** A capital asset account which reflects the acquisition value of land owned by a LEA. If land is purchased this account includes the purchase price and costs such as legal fees, filling and excavation costs, and other associated improvement costs which are incurred to put the land in condition for its intended use. If land is acquired by gift the account reflects its appraised value at time of acquisition.

**Land Acquisition and Improvement.** Activities involved with the initial acquisition of sites and improvements thereon.

**Ledger.** Contains all the accounts of a particular fund or all those detail accounts which support a particular General Ledger account. See also General Ledger, Appropriation Ledger, Allotment Ledger.

**Legal Services.** Counseling services of a legal nature to the board of education.

**Levy (Verb).** To impose taxes or special assessments. The total of taxes or special assessments imposed by a governmental unit.

**Liabilities.** Debt or other legal obligations arising out of transactions in the past which are payable but not necessarily due. Encumbrances are not liabilities. They become liabilities when the services or materials for which the encumbrance was established have been rendered or received.

**Liability Insurance.** Expenditures for insurance coverage of the LEA, or its officers, against losses resulting from judgments awarded against the system. Also recorded here are any expenditures (not judgments) made in lieu of liability insurance.

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**Library Books.** Books purchased for general use and not primarily for use in certain classes, grades, or other particular student groups. They include reference sets and dictionaries, but not textbooks and periodicals.

**Local Education Agency (LEA).** An educational agency at the local level which exists primarily to operate schools or to contract for educational services. Normally, taxes may be levied by such publicly operated agencies for school purposes. These agencies may or may not be coterminous with county, city or town boundaries. This term is used synonymously with the terms "school district," "school system" and "local basic administrative unit."

**Loans Receivable.** Amounts which have been loaned to persons or organizations, including notes taken as security for such loans, where permitted by statutory authority. The account is usually carried only in the Trust and Agency Funds balance sheet.

**Long-Term Loan.** A loan which extends for more than five years from the date the loan was obtained and is not secured by serial or term bonds.

## M

**Machine Data Processing.** The use of machines and devices in the storing of individual items of information in a form by which they may be retrieved rapidly and accurately, processed and reproduced as single-line items, as lists of items or desired combinations with other items.

**Maintenance Personnel.** Personnel on the school payroll who are primarily engaged in the repairing and upkeep of grounds, buildings and equipment.

**Maintenance of Plant (Plant Repairs and Repair and Replacement of Equipment).** Those activities which are concerned with keeping the grounds, buildings and equipment at their original condition of completeness or efficiency, either through repairs or by replacements of property (anything less than replacement of a total building).

**Maintenance Warehouse.** A building used primarily for housing personnel and equipment engaged in activities concerned with the repair and upkeep of grounds, buildings and equipment, or with the manufacture of equipment. This includes building facilities for carpenters, cabinetmakers, machinists, mechanics, painters, plumbers, electricians and groundskeepers.

**Management Information System.** A network of communication channels (voice, digital, etc.) that acquires, retrieves and redistributes data used in managing the educational process and in supporting the individual and collective decision-making process.

**Matured Bonds Payable.** Bonds which have reached or passed their maturity date but which remain unpaid.



## SECTION XI--SCHOOL TERMS

**Matured Interest Payable.** Interest on bonds which has reached the maturity date but which remains unpaid.

**Membership.** A pupil is a member of a class or school from the date he presents himself at school and is placed on the current roll until he permanently leaves the class or school for one of the causes recognized as sufficient by the state. The date of permanent withdrawal should be the date on which it is officially known that the pupil has left school, and not necessarily the first day after the date of last attendance. Membership is obtained by adding the total original entries and the total reentries and subtracting the total withdrawals; it may also be obtained by adding the total number present and the total number absent. This term is also known as the number belonging.

**Membership - Aggregate Days.** See Aggregate Days Membership.

**Membership - Average Daily.** See Average Daily Membership.

**Memorandum Accounting.** An informal record of a LEA transaction that cannot be recorded under the regular financial accounts but for which a record is desired.

**Middle/Junior High School.** A term describing a school organization between an elementary school and a high school. This term is used for budget purposes, usually, when middle and junior high schools need to be grouped for planning. Any other type organization by any other name, falling between the elementary and high schools, should be included.

**Middle School.** A separately organized and administered school usually beginning with grades five or six or their equivalent and including at least three grades or three years. Most middle schools presume, in ultimate plan if not in present reality, a four-year high school for the grades or years which follow, as is a 4-4-4 or 5-3-4 plan.

## N

**Net Expenditure.** The actual outlay of money by the LEA for some service or object after the deduction of any discounts, rebates, reimbursements or revenue produced by the service or activity.

**Net Income.** The balance remaining to the LEA after deducting from the gross revenue for a given period all operating expense and income deductions during the same period. See Revenue.

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**Noncategorical.** This is a term usually applied to revenue and means revenue from any or all sources which is not identifiable with specific expenditures; i.e., it is General Fund revenue which loses its identity as it is expended for objects relating to many Service Areas.

**Nonpublic Junior College.** An independent or church-related junior college not supported by public funds.

**Nonpublic School.** A school established by an individual, institution or agency other than the state, subdivisions of the state or the federal government, which usually is supported primarily by other than public funds, and the operation of whose program rests with other than publicly elected or appointed officials.

**Nonresident Student.** A student whose legal residence is outside the geographic area served by a specified school, LEA or institution.

**Nursery School.** A separately organized and administered elementary school for groups of children during the year or years preceding kindergarten, which provides education experiences under the direction of professionally qualified teachers.

## O

**Object.** The commodity or service obtained from a specific expenditure.

**Object Classification.** A category of goods or services purchased.

**Obligations.** Amounts which the LEA will be required to meet out of its resources, including both liabilities and encumbrances.

**Overhead Costs.** Those elements of cost necessary in the production of an article or the performance of a service which are of such a nature that the amount applicable to the product or service cannot be determined accurately or readily. Usually they relate to those objects of expenditures which do not become an integral part of the finished product or service; such as, rent, heat, light, supplies, management, supervision and other similar items.

**Overtime Salaries.** Gross salary paid to employees of the LEA in positions of either a temporary or permanent nature for work performed in addition to the normal work period for which the employee is compensated under Regular Salaries and Temporary Salaries. The terms of such payment for overtime is a matter of state and local regulation and interpretation.

## P

## **SECTION XI--SCHOOL TERMS**

**Part-Time Personnel.** Personnel who occupy positions which require less than full-time service. This includes those employed full time for part of the school year, part time for all of the school year and part time for part of the school year.

**Part-Time Pupil.** A pupil who is carrying less than a full course load as determined by the state or the LEA.

**Payments In Lieu of Taxes.** Payments made out of general revenues by a governmental unit to the LEA in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation by the local LEA on the same basis as other privately owned property or other tax base. It would include payment made for privately-owned property which is not subject to taxation on the same basis as other privately-owned property due to action by the governmental unit owning or responsible for the property.

**Payroll.** A list of individual employees entitled to pay with the amounts due to each for personal services rendered. Payments are also made for such payroll-associated costs as federal income tax withholdings, retirement and social security.

**Payroll Deductions and Withholding.** Amounts deducted from employees' salaries for taxes required to be withheld and for other withholding purposes. Separate liability accounts may be used for each type of deduction.

**Penalties and Interest on Taxes.** Amount collected as penalties for the payment of taxes after the due date or dates, and the interest charged on delinquent taxes from the due date to the date of actual payment. A separate account for penalties and interest on each type of tax may be maintained.

**Pension System.** A free retirement plan whereby persons leaving service in the educational system because of age, disability or length of service receive payments from funds to which they have not contributed. Payments may be either in a lump sum or in the form of annuity. See also Retirement Fund System.

**Permanent School Fund.** Money, securities or land which have been set aside as an investment for public school purposes of which the income, but not the principal, may be expended. These funds have been derived, in most cases, from the sale of state land set aside by the federal and/or state government, rents and royalties and from surplus revenue returned to the state by the federal government. In some instances, there may be endowment funds for individual schools. There may be nonexistent funds also which are legally recognized as an obligation. See Endowment Fund.

**Personnel - Administrative.** Personnel on the school payroll who are primarily engaged in activities which have as their purpose the general regulation, direction and control of the affairs of the LEA that are systemwide and not confined to one school, subject or a narrow phase of school activity; e.g., superintendent of schools, business manager and accountant.

**Personnel - Clerical.** See Clerical Personnel.

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**Personnel - Full-Time.** See Full-Time Personnel.

**Personnel - Guidance.** See Guidance Personnel.

**Personnel - Health.** See Health Personnel.

**Personnel - Instructional.** See Instructional Personnel.

**Personnel - Maintenance.** See Maintenance Personnel.

**Personnel - Part-Time.** See Part-Time Personnel.

**Petty Cash.** A sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and check would be too expensive and time consuming. Also, a sum of money either in the form of currency or a special bank deposit set aside for the purpose of making change or immediate payments of comparatively small amount. See also Imprest System.

**Planning.** The selection or identification of the overall, long-range goals, priorities and objectives of the organization, and the formulation of various courses of action to be followed in working toward achieving those goals, priorities and objectives.

**Planning-Programming-Budgeting-Evaluation System (PPBES).** A structured procedure for determining policy in the allocation of resources for accomplishment of priority programs; it emphasizes long-range planning, analytic evaluative tools and economic rationality in setting goals and objectives and in the determination of programs.

**Plant.** See School Plant.

**Posting.** The act of transferring to an account in a ledger the detailed or summarized data contained in the cash receipts book, check register, journal voucher or similar books or documents of original entry.

**Premium, Bond.** See Bond Premium.

**Premium on Bonds Sold.** That portion of the sales price of bonds in excess of their par value. The premium represents an adjustment of the interest rate.

**Prepaid Expenses.** Expenses entered in the accounts for benefits not yet received. Prepaid expenses differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operation. Examples of prepaid expenses are prepaid rent, prepaid interest and unexpired insurance premiums. An example of a deferred charge is unamortized discounts on bonds sold.

**Principal of Bonds.** The face value of bonds. See also Face Value.

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**Printing and Binding.** Amounts paid for job printing and binding, usually following the specifications of the LEA. This includes the design and printing of forms and posters as well as printing and binding LEA publications. Pre- printed standard forms purchased are not charged here, but are recorded under Supplies and Materials.

**Printing, Publication and Duplicating Services.** Pertains to printing and publishing administrative publications such as annual reports, school directories and manuals. It also includes providing centralized services for duplicating school materials and instruments such as school bulletins, news- letters and notices.

**Private School or Nonpublic.** A school established by an agency other than the state or its subdivisions which is primarily supported by other than public funds, and the operation of whose program rests with other than publicly elected or appointed officials.

**Professional.** A term denoting the level of personnel who have had extensive training in a particular line of work (usually a minimum of a bachelor's degree) and who perform activities regarded as professional by the laws and regulations established by the state or other professional requirements recognized by the state. Examples are teachers, architects, lawyers and nurses.

**Professional and Technical Services.** Services of individuals having extensive training in a particular line of work. This includes such services as those provided by architects, auditors, dentists and doctors, consultants, lawyers, tax collectors, data-processing service bureaus and others.

**Program.** A plan of activities and procedures designed to accomplish a pre- determined objective or set of allied objectives.

**Programming.** Preparation of a logical sequence of operations to be performed by a computer in solving a problem or processing data; the preparation of coded instructions and data for such a sequence.

**Property Insurance.** Expenditures for all forms of insurance covering the loss of, or damage to, property of the LEA from fire, theft, storm or any other cause. Also recorded here are costs for appraisals of property for insurance purposes.

**Proprietary Accounts.** Those accounts which show actual financial conditions and operations such as actual assets, liabilities, reserves, surpluses, revenues and expenditures, as distinguished from budgetary accounts.

**Prorating.** The allocation of parts of a single expenditure to two or more different accounts. The allocation is made in proportion to the benefits which the expenditure provides for the respective purposes or programs for which the accounts were established.

## **SECTION XI--SCHOOL TERMS**

**Public Grant.** A contribution, either money or material goods, made by one governmental unit to another unit and for which the contributing unit expects no repayment. Grants may be for specific or general purposes.

**Public Information.** Information for public consumption through news media about the condition and progress of education in the LEA. It consists of such activities as writing news releases, speaking to civic groups or other assemblies and appearing on local radio and television programs to discuss LEA programs.

**Public Library.** A library operated by publicly elected or appointed officials and open to the public. When the library is supported wholly or partially by a public school the expense is charged to Community Services.

**Public Relations.** See Community Relations.

**Public School.** A school operated by publicly elected or appointed school officials in which the program and activities are under the control of these officials and which is supported primarily by public funds.

**Public Schoolhousing Authority.** See Housing Authority Obligations.

**Public Utility Services.** Expenditures for services usually provided by public utilities such as water, sewerage, electricity, gas and garbage. This includes those same services whether the utility company be public or private. Costs for telephone and telegraph are not charged here but are recorded under Communication. However, expenditures for heat are included here.

**Publicly Owned Quarters.** Any public school facility owned by a school administrative unit or under its control through a contract to purchase. Public school facilities designed for school purposes and owned by a county or municipal unit of government, public schoolhousing authority or similar agency are included.

**Pupil Accounting.** A system for collecting, computing and reporting information about pupils.

**Pupil Organization Membership.** A school organization for pupils. Membership usually grants the pupil certain privileges such as the right to be admitted to dances or athletic contests without charge or at a reduced rate.

**Pupil - Part-Time.** See Part-Time Pupil.

**Pupil - Resident.** See Resident Student.

**Pupil - Transfer.** See Transfer Pupil.

**Pupil Transportation Services.** Consists of those activities involved with the conveyance of pupils to and from school activities, as provided by state law. This includes trips between home

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and school or trips to school activities. This Service Area is applicable to both schools and LEAs.

**Pupil - Transported.** See Transported Student.

**Pupil - Tuition.** See Tuition Student.

**Purchase Order.** A written request to a vendor to provide material or services at a price set forth in the order and is used as an encumbrance document.

**Purchased Services.** Personal services rendered by personnel who are not on the payroll of the LEA, and other services which may be purchased by the LEA. See also Contracted Services.

**Purchasing.** Acquiring supplies, equipment and materials used in school or LEA operation.

## **R**

**Real Estate.** Land, improvements to site and buildings; real property.

**Rebates.** Abatements or refunds.

**Receipts.** This term means cash received. See Revenue.

**Receiving and Disbursing.** Accepting and paying out funds. It includes the current audit of receipts, the preaudit of requisitions or purchase orders before the order is placed to determine whether the amounts are within the budgetary allowances and to determine that such disbursements are lawful expenditures of the school or LEA.

**Record Management.** Establishing and maintaining an adequate and efficient system for controlling the records of a LEA.

**Records.** A collection of information which is prepared by a person, unit or organization for the use of that person, unit or organization.

**Recruitment and Placement.** Employing and assigning personnel for the LEA.

**Redemption of Principal.** Expenditures from current funds to retire serial bonds, long-term loans of more than five years and short-term loans of less than five years.

**Refund.** A return of an overpayment or overcollection. The return may be either in the form of cash or a credit to an account.

**Refunding Bonds.** Bonds issued to pay off bonds already outstanding.

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**Refund of Prior Years' Expenditures.** Revenue coming from a refund of an expenditure made to a prior fiscal year's budget. A refund of an expenditure made in the same fiscal year's budget may be recorded in the appropriate expenditure account as a reduction of the expenditure.

**Register.** A record for the consecutive entry of a certain class of events, documents or transactions, with a proper notation of all of the required particulars. The form of register for accounting purposes varies from a one column to a multicolumnar sheet of special design whereon the entries are distributed, summarized and aggregated usually for convenient posting to the accounts.

**Registered Warrant.** A warrant which is registered by the paying officer for future payment on account of present lack of funds and which is to be paid in the order of its registration. In some cases, such warrants are registered when issued; in others, when first presented to the paying officer by the holders. See also Warrant.

**Regular Day School Transportation.** Transportation of pupils attending regular day school. Separate accounts may be maintained for transportation fees received from patrons and for transportation fees received from other LEAs.

**Regular Day School Tuition.** Tuition for resident and nonresident pupils attending the regular day schools in the LEA. Separate accounts may be maintained for tuition received from patrons and for tuition received from other LEAs.

**Regular Salaries.** Full-time, part-time and prorated portions of the gross salary costs for work performed by employees of the LEA who are considered to be in positions of a permanent nature.

**Reimbursement.** The return of an overpayment or overcollection in cash.

**Remodeling.** Any major permanent structural improvement to a building. It includes changes of partitions, roof structure or walls. Repairs are not included here but are included under maintenance.

**Rentals Received.** Money received from the rental of school property, real or personal. It does not include rental from real property held for income purposes. This revenue is recorded under the account Earnings on Investments. Separate accounts may be maintained for real property, textbooks, equipment, lockers, towels and other.

**Rentals Expended.** Expenditures for the lease or rental of land, buildings and equipment for the temporary or long-range use of the LEA. This includes bus and other vehicle rental when operated by LEA personnel, lease of data processing equipment, lease-purchase arrangements and similar rental agreements. Costs for single agreements covering equipment as well as operators are not charged here, but are recorded elsewhere under Purchased Services.



## **SECTION XI--SCHOOL TERMS**

**Repairs.** The restoration of a given piece of equipment, of a given building or of grounds, to original condition of completeness or efficiency from a worn, damaged or deteriorated condition. See also Maintenance of Plant.

**Repairs and Maintenance Service.** Repairs and maintenance services not provided directly by LEA personnel. This includes contracts and agreements covering the upkeep of grounds, buildings and equipment. Costs for new construction, renovating and remodeling are not charged here, but are recorded under Capital Acquisitions.

**Replacement of Equipment.** A complete unit of equipment purchased to take the place of another complete unit of equipment which is to be sold, scrapped or written off the record, and serving the same purpose as the replaced unit in the same way.

**Reports.** A collection of information which is prepared by a person, unit or organization for the use of some other person, unit or organization.

**Requisition.** A written request to a purchasing officer for specified articles or services. It is a request from one school official to another school official, whereas a purchase order is from a school official (usually the purchasing officer) to a vendor.

**Research.** Systematic study and investigation in some field of knowledge undertaken to establish facts or principles.

**Research, Planning, Development and Evaluation.** The activities involved with research, planning, development and evaluation functions for the LEA.

**Reserve.** An amount set aside for some specified purpose.

**Reserve for Encumbrances.** A reserve representing the segregation of a portion of a fund balance to provide for unliquidated encumbrances. Separate accounts may be maintained for current and prior year encumbrances.

**Reserve for Inventory.** A reserve which represents the segregation of a portion of a fund balance to indicate that assets equal to the amount of the reserve are tied up in inventories of supplies and inventories on hand and not issued to requesting units.

**Reserve for "A" (Special Purposes).** A reserve which represents the segregation of a portion of a fund balance to indicate that assets equal to the amount of the reserve are tied up for the named special purpose.

**Resident Student.** A student whose legal residence is within the geographic area served by a specified school, LEA or institution.

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**Restricted Grants-in-Aid.** Revenues received as grants by the LEA which must be used for a categorical or specific purpose. If such money is not completely used by the LEA it usually must be returned to the government unit. Separate accounts may be maintained for general source grants-in-aid which are not related to specific revenue sources of the governmental unit, and for those assigned to specific source of revenue as appropriate.

**Retirement Fund System.** A plan whereby a fund of money, built up through contributions from participants and other sources, is used to make regular payments to those who retire from service in the educational system by reason of age, disability or length of service. See also Pension Systems.

**Revenues.** Additions to assets which do not increase any liability, do not represent the recovery of an expenditure, do not represent the cancellation of certain liabilities without a corresponding increase in other liabilities or a decrease in assets, and do not represent contributions of fund capital in Food Service and Bookstore Service Funds.

**Revenues Collected in Advance.** A liability account which represents revenues collected before they become due.

**Revolving Fund.** A fund provided to carry out a cycle of operations. The amounts expended from the fund are restored from earnings from operations or by transfers from other funds so that it remains intact, either in the form of cash, receivables, inventory or other assets. These funds are also known as reimbursable funds.

### S

**Salary.** The total amount regularly paid or stipulated to be paid to an individual, before deductions, for personal services rendered while on the payroll of the LEA. Payments for sabbatical leave are also considered as salary.

**Sale of Capital Assets.** Proceeds from the sale of school property. Separate accounts may be maintained for sale of real property and for sale of equipment.

**Sales and Use Tax.** Taxes imposed upon the sale and consumption of goods and services. It can be imposed either as a general tax on the retail price of all goods and/or services sold within the LEA jurisdiction with few or limited exemptions, or as a tax upon the sale or consumption of selected goods and services. Separate accounts may be maintained for general sales tax and for selective sales taxes.

**Sales of Bonds.** Proceeds from the sales of bonds, except that if bonds are sold at a premium only those proceeds representing the par value of the bonds would be included. The proceeds from the sale of bonds constitute a revenue of the Capital Outlay Fund but not of the LEA as a whole.

## **SECTION XI--SCHOOL TERMS**

**Sales to Adults.** Money received from adults for sale of food products and services. Regular meals or food products sold to staff can be segregated from special dinners and affairs for special purposes by maintaining separate accounts.

**Sales to Pupils.** Money received from pupils for sale of food products and services. Better financial control and analysis and reporting for federal and state reimbursements can be obtained by maintaining separate accounts by Type of Sales, such as type of lunch sales, milk program sales and other sales.

**School.** A division of the LEA consisting of a group of pupils composed of one or more grade groups, organized as one unit with one or more teachers to give instruction of a defined type and housed in a school plant of one or more buildings. More than one school may be housed in one school plant, as is the case when the elementary and secondary programs are housed in the same school plant.

**School Administration.** Consists of those activities which have overall administrative responsibility for a single school or a group of schools.

**School Bus.** A vehicle used for transporting students with a manufacturer's rated seating capacity of 10 or more. (Seating capacity figures on the basis of at least 13 or 15 inches of seat space per pupil using the 3 x 3 seating plan or the 3 x 2 seating plan, respectively.)

**School District.** See School System.

**School - Elementary.** See Elementary School.

**School - Middle/Junior High.** See Middle/Junior High School.

**School Plant.** The site, buildings and equipment constituting the physical facilities used by a single school or by two or more schools sharing the use of common facilities.

**School Plant - Combined Elementary and Secondary.** A school plant which houses both an elementary school and a secondary school.

**School - Private or Nonpublic.** See Private School.

**School - Public.** See Public School.

**School - Secondary.** See Secondary School.

**School - Senior High.** See Senior High School.

**School Site.** The land and all improvements to the site, other than structures, such as grading, drainage, drives, parking areas, walks, plantings, play courts and playfields.

**School - Summer.** See Summer School.

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**School System.** All the schools and supporting services operated by the board of education, a specified administrative unit or by another organization which operates one or more schools. See also Local Education Agency.

**School Term.** A prescribed span of time when school is open and the pupils are under the guidance and direction of teachers. See also Term.

**School - Vocational or Trade High.** See Vocational or Trade High School.

**Secondary School.** A school comprising any span of grades beginning with the next grade following an elementary or middle school and ending with or below grade 12.

**Securities.** Bonds, notes, mortgages or other forms of negotiable or non- negotiable instruments.

**Senior High School.** A secondary school offering the final years of high school work necessary for graduation and invariably preceded by a junior high school.

**Serial Bonds.** Issues redeemable by installments, each of which is to be paid in full, ordinarily out of revenues of the fiscal year in which it matures or revenues of the preceding year.

**Service Area Direction.** Pertains to directing and managing the Service Area of any function. It includes activities of all those engaged in managing and directing a given area.

**Shared Revenue.** Revenue which is levied by one governmental unit but shared, usually in proportion to the amount collected, with another unit of government or class of governments.

**Shared Tax.** See Shared Revenue.

**Short-Term Loans.** A loan payable in five years or less, but not before the end of the current fiscal year. See also Current Loans.

**Single School.** Activities which extend or apply to only a single attendance area.

**Sinking Fund.** Money which has been set aside or invested for the definite purpose of meeting payments on debt at some future time. It is usually a fund set up for the purpose of accumulating money over a period of years in order to have money available for the redemption of long-term obligations at the date of maturity.

**Social Work.** Activities concerned with the prevention of or solution to those personal, social and emotional problems of individuals which involve such relationships as those of the family, school and community.

**Source of Funds.** Identifies the agency, governmental or otherwise, which appropriates the money used by a local school or LEA.

**Special Assessments.** See Assessments - Special.

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**Special Cost Centers.** A dimension for accumulating additional details on costs of a segment of an existing cost center or for accumulating costs of a temporary program or project for evaluative purposes. See also Cost Center.

**Special Education.** Consists of direct instructional activities designed primarily to deal with the following pupil exceptionalities: (1) physically handicapped; (2) emotionally disturbed; (3) culturally different including compensatory education; (4) mentally retarded; and (5) mentally gifted and talented. The Special Education Services Area includes preprimary, elementary, secondary, postsecondary, or adult/continuing education.

**Special Fund.** Any fund other than the General Fund.

**Special Revenue Fund.** Used to account for money appropriated or granted for special purposes. Uses and limitations are specified by the legal authority establishing the fund and, generally, the resources of this fund cannot be diverted to other uses.

**Staff Accounting.** Services rendered in connection with the systematic recording, filing and storing of information related to staff members employed by the LEA.

**Staff Services.** The activities concerned with recruiting, accounting, placing, transferring and training staff employed by a LEA.

**State Aid for Education.** Any grant made by a state government for the support of education.

**Statistical Services.** Services concerned with collecting, organizing, summarizing, analyzing and disseminating educational data pertinent to various educational interests, including pupils, staff, instruction, facilities and finance.

**Stores.** Supplies, materials and equipment in storerooms subject to requisition.

**Student Body Activities.** Direct and personal services for public school pupils, such as interscholastic athletics, entertainment, publications, clubs, band and orchestra, that are managed or operated generally by the student body under the guidance and direction of adults or a staff member and which are not part of the regular instructional program. See Cocurricular Activities.

**Subsidiary Accounts.** Related accounts which support in detail the summaries recorded in a controlling account. See also Clearing Accounts.

**Summer School.** The name usually applied to the school session carried on during the period between the end of the regular school term and the beginning of the next regular school term.

**Summer Term - Day.** A division of the school year which usually begins in June and ends in August and pupils attend the day sessions.

## SECTION XI--SCHOOL TERMS

**Summer Term - Evening.** A division of the school year which usually begins in June and ends in August and pupils attend the evening sessions.

**Summer School Transportation Fees.** Money received for transportation of pupils attending summer school. Separate accounts may be maintained for transportation fees received from patrons and for transportation fees received from other LEAs.

**Summer School Tuition.** Money received as tuition for pupils attending summer school classes. Separate accounts may be maintained for tuition received for residents and for tuition received for nonresidents.

**Supply.** A material item of an expendable nature that is consumed, worn out or deteriorated in use, loses its identity through fabrication or incorporation into a different or more complex unit or substance.

**Support Services.** Activities which provide administrative, technical and logistical support to a program. Support Services exist to sustain and enhance the fulfillment of the objectives of other major functions.

**Surety Bond.** A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through defalcation; for example, a surety bond given by a contractor or by an official handling cash or securities.

**Surplus.** The excess of the assets of a fund over its liabilities, or if the fund also has other resources and obligations, the excess of resources over obligations. The term should not be used without a properly descriptive adjective unless its meaning is apparent from the context. See also Unappropriated Surplus.

**Systems Analysis.** Activities involving the search for an evaluation of alternatives which are relevant to defined objectives, based on judgment; and, wherever possible, on quantitative methods, the development of data processing procedures or application to electronic data processing equipment.

**Systemwide.** Activities which extend or apply to all of the schools in the LEA or to all of the schools in the LEA where the activities apply.

## T

**Tax Anticipation Notes.** Notes (sometimes called "warrants") issued in anticipation of collection of taxes, usually retireable only from tax collections, and frequently only from the tax collections anticipated with their issuance. The proceeds of tax anticipation notes or warrants are treated as current loans if paid back from the tax collections anticipated with the issuance of the notes.

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**Tax Assessment and Collection.** Activities concerned with assigning and recording equitable values to real and personal property, assigning a millage rate (dollars yield per thousand dollars) and receiving yield in a central office.

**Tax Liens Receivable.** Legal claims against property which have been exercised because of nonpayment of delinquent taxes, interest and penalties. The account includes delinquent taxes, interest and penalties receivable up to the date the lien becomes effective plus the cost of holding the sale.

**Taxes.** Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses and permits. It does not include special assessments. See also Assessment - Special.

**Taxes Levied for Other Governmental Units.** Taxes levied by a governmental unit as agent for another governmental unit and which are to be collected, held in trust and disbursed to the proper unit. They consist of both current and delinquent taxes and may also include tax liens. No allowance for estimated uncollectible taxes is set up against these taxes because the LEA is usually liable only for the amount actually collected. It is recommended that separate accounts be maintained for each interfund receivable.

**Taxes Receivable.** The uncollected portion of taxes which a LEA or governmental unit has levied and which has become due, including any interest or penalties which may be accrued. Separate accounts may be maintained on the basis of tax roll year and/or current and delinquent taxes.

**Teacher.** A person who instructs students.

**Teacher Aide.** A person who assists a teacher with routine activities associated with teaching and those activities requiring minor decisions regarding students, such as monitoring, conducting rote exercises, operating equipment and clerking.

**Teaching Assistant.** A person who performs the day-to-day activities of teaching students under the supervision of a teacher. The teaching assistant does not make any diagnostic or long-range evaluative decisions regarding students taught. The person may or may not be certificated but has completed at least two years of formal education preparatory for teaching or the equivalent in experience or training.

**Technical Education.** Technical Education is concerned with that body of knowledge, organized in a planned sequence of classroom and laboratory experiences, usually at the postsecondary level, to prepare pupils for a cluster of job opportunities in a specialized field of technology. The program of instruction normally includes the study of the underlying sciences and supporting mathematics inherent in a technology, as well as methods, skills, materials and processes commonly used and services performed in the technology. Technical education prepares for the occupational area between the skilled craftsman and the professional person such as the doctor, the engineer and the scientist.

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**Temporary Salaries.** Full-time, part-time and prorated portions of the gross salary costs for work by employees of the LEA who are hired on a temporary or substitute basis to perform work in positions of either temporary or permanent nature.

**Term.** A prescribed span of time when school is open and the pupils are under the guidance and direction of teachers.

**Term Bonds.** Bonds of the same issue usually maturing all at one time and ordinarily to be retired from sinking funds.

**Textbooks.** Books obtained primarily for use in certain classes, grades or other particular student groups rather than for general school use.

**Trade Discount.** An allowance usually varying in percentage with volume of transactions made to those engaged in certain businesses and allowable irrespective of the time when the account is paid. The term should not be confused with "cash discount."

**Transfer From Other Funds.** Money received unconditionally from another fund without expectation of repayment. Such monies are revenues of the receiving fund, but not of the LEA as a whole. Separate accounts may be maintained for specific funds.

**Transfer Pupil.** A pupil who severs his connection with a class, grade or school in order to transfer to another class, grade or school. This includes pupils who transfer or are promoted from an elementary school to a secondary school or from a junior high school to a senior high school.

**Transfer Voucher.** A voucher authorizing posting adjustments and transfers of cash or other resources between funds or accounts.

**Transfers Between Funds.** See Interfund Transfers.

**Transportation Fees.** Money received for transportation of pupils.

**Transported Student.** A pupil who is transported to and from school at public expense.

**Travel.** Costs for transportation, meals, hotel and other expenses associated with traveling on business for the LEA. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here.

**Trial Balance.** A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or their net balance agrees with a controlling account, the ledger from which the figures are taken is said to be "in balance."

**Trust and Agency Funds.** Used to account for money and property held in trust by a LEA for individuals, government entities or nonpublic organizations. A Trust Fund is usually in existence over a longer period of time than an Agency Fund. Primarily, Agency Funds function as a



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clearing mechanism for cash resources collected by the LEA, held for a short period, and then disbursed to authorized recipients.

**Tuition.** Money charged by a LEA or educational institution for a period of time, not including special charges as for books and laboratory fees.

**Tuition Student.** A pupil for whom tuition is paid.

**Tuition Expended.** Expenditures to reimburse other educational agencies for services rendered to students residing in the legal boundaries described for the paying LEAs, both within and outside the state of the paying LEA.

**Tuition Received.** Money received from pupils, their parents, welfare agencies or other LEAs for education provided in the schools of the LEA.

**Two-Year Branch College.** A division of an institution of higher education, which offers the first two years of college instruction and which is located in a community different from that of its parent institution and beyond a reasonable commuting distance from the main campus of the parent institution.

**Two-Year Technical Institute.** An institution offering instruction primarily in one or more of the technologies at the postsecondary instructional level.

## U

**Unamortized Discounts on Bonds Sold.** That portion of the excess of the face value of bonds over the amount received from their sale which remains to be written off periodically over the life of the bonds.

**Unamortized Discounts on Investments.** The excess of the face value of securities over the amount paid for them which has not yet been written off.

**Unamortized Premiums on Bonds Sold.** An account which represents that portion of the excess of bond proceeds over par value and which remains to be amortized over the remaining life of such bonds.

**Unamortized Premiums on Investments.** The excess of the amount paid for securities over the face value which has not yet been amortized. Use of this account is normally restricted to long-term investments.

**Unappropriated Surplus.** That portion of the surplus of a given fund which is not segregated for specific purposes.

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**Unencumbered Balance of Appropriation of Allotment.** That portion of an appropriation or allotment not yet expended or encumbered; the balance remaining after deducting from the appropriation or allotment the accumulated expenditures and outstanding encumbrances.

**Unexpended Balance of Appropriation or Allotment.** That portion of an appropriation or allotment which has not been expended; the balance remaining after deducting from the appropriation or allotment the accumulated expenditures.

**Unit Cost.** Expenditures for a function, activity or service divided by the total number of units for which the function, activity or service was provided.

**Unliquidated Encumbrances.** Encumbrances outstanding. See also Encumbrances.

**Unrestricted Grants-in-Aid.** Revenues received as grants by the LEA which can be used for any legal purpose desired by the LEA without restriction.

## V

**Vehicle.** A conveyance used to transport persons or objects.

**Vehicle - Privately Owned.** A vehicle owned by the contractor; a vehicle partially owned by the contractor (for instance, the contractor may own the chassis and the school own the body); or a car used by a parent who is paid from public funds to transport his own children and sometimes other children to schools.

**Vehicle Servicing and Maintenance.** Pertains to maintaining vehicles in as nearly new condition and original efficiency as possible. It includes repairing vehicles, replacing vehicle parts, cleaning, painting, greasing, fueling, preventive maintenance and inspection of vehicles for safety.

**Visiting Teacher (Home-School Counselor).** A person who visits pupils and parents in the home assisting the school and the home in solving the personal adjustment problems of pupils. See Social Work.

**Vocational or Trade High School.** A secondary school which is separately organized under a principal for the purpose of offering training in one or more skilled or semiskilled trades or occupations. It includes such schools whether federally aided or not. Departments of other types of high schools which offer commercial, agricultural, home economics, industrial arts and other applied art courses would not be considered as separately organized vocational high schools.

**Vocational and/or Technical School.** A school which is separately organized under the direction and management of an administrator (such as a principal) for the primary purpose of offering education and training in one or more semi- skilled, skilled or technical occupations.

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**Voucher.** A document which authorizes the payment of money and usually indicates the accounts to be charged.

**Voucher System.** A system which calls for the preparation of vouchers for transactions involving payments and for the recording of such vouchers in a special book of original entry known as a voucher register in the order in which payment is approved.

**Vouchers Payable.** Liabilities for goods and services received as evidenced by vouchers which have been preaudited and approved for payment but which have not been paid.

## W

**Warehouse Inventory Adjustment.** Amounts reflected as a deficit as a result of an audit or count of items held in a store's or warehouse inventory.

**Warehousing and Distribution.** Pertains to the operation of the activities of receiving, storing and distributing supplies, equipment, materials and mail. It includes the pickup and transporting of cash from school facilities to the central administrative office or bank for control and/or deposit.

**Warrant.** An order drawn by the school board to the LEA Business Manager ordering him to pay a specified amount to a payee named on the warrant. Once signed by the business manager the warrant becomes a check payable by a bank named on the warrant by the business manager.

**Warrant Interest.** Interest paid on registered warrants.

**Warrants Payable.** Warrants issued by the school board but not yet signed by the business manager.

**Welfare Activities.** Providing for personal needs of indigent persons, when such aid is restricted to indigent persons, and for providing services in connection with disaster relief.

**Withholding.** The process of deducting from a salary or wage payment an amount, specified by law or regulation, representing the estimated federal or state income tax of the individual that the employer must pay to the taxing authority.

**Withholding Taxes.** See Withholding.

**Work Order.** A written order authorizing and directing the performance of a certain task, issued to the person who is to direct the work. Among the information shown on the order are the

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nature and location of the job, specifications of the work to be performed and a job number which is referred to in reporting the amount of labor, materials and equipment used.